



Compliance Notes - Vol. 2, Issue 43

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RECENT LOBBYING, ETHICS & CAMPAIGN FINANCE UPDATES

We read the news, cut through the noise and provide you the notes.

Welcome to *Compliance Notes* from Nossaman's **Government Relations & Regulation Group** – a periodic digest of the headlines, statutory and regulatory changes and court cases involving campaign finance, lobbying compliance, election law and government ethics issues at the federal, state and local level.

Our attorneys, policy advisors and compliance consultants are available to discuss any questions or how specific issues may impact your business.

If there is a particular subject or jurisdiction you'd like to see covered, please let us know.

Until then, please enjoy this installment of **Compliance Notes**. If you would like to have these updates delivered directly to your in-box, please click below to subscribe to our Government Relations & Regulation mailing list.

Campaign Finance & Lobbying Compliance

Lev Parnas, a former associate of Rudy Giuliani, was found guilty of violating federal campaign finance laws for making illegal campaign contributions to influence U.S. politicians and promote his business interests. The jury found that Parnas committed fraud by illegally helping a foreigner contribute to a U.S. election campaign, making contributions in the names of others and making false statements to the Federal Election Commission. (Shayna Jacobs, *The Washington Post*)

Tennessee: Federal prosecutors charged Tennessee State Senator Brian Kelsey with violating campaign finance laws for a conspiracy to benefit Kelsey's 2016 congressional campaign. The indictment alleges Kelsey conspired with others to "secretly and unlawfully" funnel \$91,000 from his state senate campaign committee to his federal campaign committee, a violation of federal campaign finance law's "soft money" prohibition. Prosecutors also allege that Kelsey and other coconspirators coordinated with a national nonprofit political organization, causing that organization to make excessive and illegal campaign contributions and to file false reports with the Federal Election Commission. (Kimberlee Kruesi & Jonathan Mattise, Associated Press and DOJ Press Release)

Illinois: Michael Alter, owner of WNBA National Champions Chicago Sky, will pay a \$5,000 fine to the city of Chicago for unregistered lobbying of Mayor Lightfoot. The city ethics board sanctioned Alter for emailing first lady Amy Eshleman to ask for Mayor Lightfoot's help in obtaining a gambling license. (Gregory Pratt, *Chicago Tribune*)

Government Ethics & Transparency

Representative Jeff Fortenberry (R–Neb.) has been charged with scheming to falsify and conceal material facts and making false statements to federal investigators. The charges stem from the Department of Justice's investigation into illegal contributions made by a foreign national to Rep. Fortenberry's reelection campaign. (Hailey Fuchs & Olivia Beavers, *Politico*)

The Office of Congressional Ethics recommended that the U.S. House Ethics Committee investigate allegations that Congressman Mike Kelly and his wife made stock purchases in 2020 based upon confidential information that Representative Kelly learned while carrying out official duties. (Lindsay McCoy, WFMJ)

Connecticut: State Representative Michael DiMassa has been charged with stealing more than \$600,000 in federal COVID relief money. Rep. DiMassa is accused of defrauding the city of West Haven by falsely billing an investment group for pandemic-related consulting services he allegedly never performed. At the time, DiMassa was one of three city officials designated to oversee pandemic spending. (Edmund H. Mahony & Christopher Keating, *Hartford Courant*)

District of Columbia: Neil Albert, chair of the D.C. Housing Authority, has resigned amid allegations of ethical violations. Reports allege that Albert was in a romantic relationship with the CEO of a design firm that received contracts from the Housing Authority in 2018 and 2021. (Keith Loria, *Commercial Observer*)

Nonprofits

Virginia: Vice President Kamala Harris recorded a video encouraging Virginia church members to vote for Terry McAuliffe in the gubernatorial race, which is raising legal concerns around IRS prohibitions on partisan political activity by nonprofits. Most houses of worship are 501(c)(3) organizations, which are prohibited from supporting a specific party or candidate's campaign for public office. Therefore, the video could be prohibited partisan speech, even though church leaders are not directly campaigning themselves. (Kelsey Dallas, *Deseret News*)

Ballot Measures

Republican legislatures have successfully passed various voting restrictions in states where they have a political stronghold, like Georgia, Iowa and Texas. The GOP are using ballot measures to push election restrictions in states where Democrats control the governor's office, the legislature or both. Republicans in California, Massachusetts, Michigan and Pennsylvania are pursuing statewide ballot initiatives or veto-proof proposals to enact changes to voter ID restrictions and other election laws. Meanwhile in Nebraska where Republicans control the governor's office and legislature, Republicans are pursuing a voter ID ballot measure because they were unable to get enough lawmakers to support legislation. (Marc Levy, *Los Angeles Times*)